

**THE VIRGINIA BOARD OF ACCOUNTANCY
DRAFT MEETING MINUTES**

The Virginia Board of Accountancy (Board) met on Wednesday, January 8, 2008 in Training Room 1 A-C of the Perimeter Center, 9960 Mayland Drive, Richmond, Virginia 23233.

The following Board members present for the entire meeting were:

Lawrence D. Samuel, CPA, Chairman
Dian T. Calderone, MTX, CPA, Vice Chairman
Stephen D. Holton, CPA, Immediate Past Chairman
William E. Hunt, CPA

The following Board members absent for the entire meeting were:

Regina P. Brayboy, MPA
Tyrone E. Dickerson, CPA

The following Board members in attendance for a portion of the meeting were:

O. Whitfield Broome, PhD, CPA

The Board staff members present for the entire meeting were:

Nancy Taylor Feldman, Executive Director/Agency Head
Katherine Idrissi, Special Assistant to the Executive Director
Dreana L. Gilliam, Licensing and Examination Coordinator

Also in attendance for the meeting was:

Cynthia H. Norwood, Assistant Attorney General

In attendance for a portion of the meeting were:

Stephanie Peters, President and CEO, Virginia Society of Certified Public Accountants
Emily Walker, Technical Services Manager, Virginia Society of Certified Public Accountants
Erin Collins, Government Affairs Director, Virginia Society of Certified Public Accountants
Rebecca McCoy, CPA, Vice-Chair Virginia Society of Certified Public Accountants Board of Directors
Pamela Kamalakkannan, CPA, Board of Accountancy
Monique Valentine, CPA, Chair Virginia Society of Certified Public Accountants Board of Directors
Greg Lawson, CPA, Chair-Elect, Virginia Society of Certified Public Accountants Board of Directors
Jamie Walker, CPA, Vice-Chair Virginia Society of Certified Public Accountants Board of Directors
Paul McDonald, Auditor, Commonwealth of Virginia Auditor of Public Accounts
Karen Ashby, Auditor, Commonwealth of Virginia Auditor of Public Accounts
Jennifer Eggleston, CPA, Auditor, Commonwealth of Virginia Auditor of Public Accounts

Chairman Samuel called the meeting to order at 10:04 a.m.

Call to Order

Safety Briefing

Katherine Idrissi

Chairman Samuel determined that a quorum was present.

Determination of Quorum

Upon a motion by Mr. Samuel, and seconded by Mr. Hunt, the Board by unanimous vote approved the agenda. The members voting “**AYE**” were Ms. Calderone, Mr. Holton, Dr. Broome, and Mr. Hunt.

Approval of Agenda

The Board’s January 8, 2008 Final Agenda was as follows:

Safety Briefing – Katherine Idrissi, Special Assistant
Call to Order – Lawrence D. Samuel, CPA, Chairman
Determination of Quorum
Approval of Agenda
Public Comment Period

Consent Agenda

1. Board Minutes – December 12, 2007

Board Reports

2. Audit Entrance Meeting – Jennifer Eggleston, Project Manager, Auditor of Public Accounts
3. Legislative/Regulatory: Stephen D. Holton, CPA, Immediate Past Chairman
 - Comprehensive Review of Regulations
4. Executive – Lawrence D. Samuel, CPA, Chairman
 - Discussion of Fee Analysis
5. BOA Reports – Nancy T. Feldman, Executive Director
 - NASBA Focus Questions
 - Firm Registrations
 - Privacy Rights
 - Internal Controls

Noon – 1:00p.m. Recess for Board Lunch

Sign Conflict of Interests Forms
Complete Travel Expense Vouchers

Adjournment

Members agreed to move this item down on the agenda.

**Public Comment
Period**

Members agreed to postpone approval of December 12, 2007 meeting minutes until the next meeting.

1. Board Minutes

Jennifer Eggleston, CPA, Social and Medical Services Senior Specialist, Auditor of Public Accounts led the discussion regarding the BOA audit. Ms. Eggleston provided information regarding roles and responsibilities in the audit process, planned scope of the audit, the communication process, and the impact of recent changes in reporting deficiencies (SAS112). Ms. Eggleston advised fraud risks will be assessed by conducting interviews of the BOA staff. In addition, Ms. Eggleston advised the Agency is responsible for reporting any agency fraud or abuse to the APA as well as the police. The audit is scheduled to begin immediately and will be completed by February 2008.

**2. Audit Entrance
Meeting**

Ms. Feldman reported BOA currently has a documented policy regarding the BOA Trust Account. VITA requirements are in compliance and no changes in operations other than the change from Seat Management to VITA.

Monique Valentine, CPA, Chair Virginia Society of Certified Public Accountants, Board of Directors addressed the Board members. Ms. Valentine advised that the VSCPA applauds the efforts put into reviewing the regulations however; a major concern is the Board's ability to maintain leadership in the area of "practice mobility" as a result of pending revisions to business practices and regulations.

Public Comment

Nancy T. Feldman, Executive Director led the discussion regarding the filing process for entering new and amended regulations. Emergency Regulations are necessary because statute changes have occurred and as a result BOA Regulations require adjustment. Proposed regulations must have a public comment period. Approval takes approximately 18 – 24 months.

**3. Legislative/
Regulatory**

Full Board approval process:

- 30 day comment period – if any controversial comments are received, discussions will take place. If not, the process will continue to move forward.
- To DPB for Economic Impact review – review period 14 days
-After 14 days a decision/agreement must be reached.
- To Secretary of Commerce & Trade for review by David Smith and Patrick Gottschalk

- May/July 08 is the tentative completion timeframe to have the Emergency Regulation in place.
- Changes may occur as a result of public comment.
- Emergency regulations are only valid for 1 year – no exceptions.
- Proposed regulations must be in place to fill void after expiration of Emergency regulation.
 - Changes must be made within 280 days according to Statute.

Mr. Holton led the discussion regarding the Comprehensive Review of Regulations. Mr. Holton will revise the regulations as discussed. He will notify board members should any substantive changes occur.

Upon a motion by Mr. Hunt and seconded by Ms. Calderone, the Board by unanimous vote approved the agreed upon Regulatory Revisions. The members voting “**AYE**” were Mr. Samuel, Dr. Broome, Mr. Hunt, Ms. Calderone, and Mr. Holton.

Tentative date for 30 day comment period to begin Tuesday January 15, 2008. Mr. Holton will provide the rationale for any deleted regulations and circulate to board members. Filing with the Dept. of Planning and Budget (DPB) for the 14 day review period must be clearly defined. Board members should be readily available to respond to any inquiries during the review by DPB.

The Board recessed from 1:00 p.m. – 1:30 p.m. for lunch.

Recess for Board Lunch

The members agreed to move this item down on the agenda.

4. Executive Report

Ms. Feldman led the discussion regarding submission of the NASBA Focus Questions. A comprehensive review of the questionnaire was performed by the Board.

BOA Reports – Focus Questions

The members agreed to move the remaining BOA Report items down on the agenda.

Mr. Samuel led the discussion regarding the BOA fee analysis presented by Pamela Kamalakkannan at the December 12, 2007 board meeting. Ms. Kamalakkannan responded to questions from the members requesting clarification regarding her initial proposal prior to the vote. The members selected Proposal A amended as discussed. Ms. Kamalakkannan will revise Proposal A as requested.

**Executive Report -
Discussion of Fee
Analysis**

Upon a motion by Ms. Calderone and seconded by Mr. Hunt, the Board by unanimous vote approved the agreed upon Proposal A as amended. The members voting “**AYE**” were Mr. Samuel, Mr. Hunt, Ms. Calderone, and Mr. Holton.

Ms. Feldman led the discussion regarding the privacy rights of the regulants. Ms. Feldman advised the information provided to BOA is a matter of public record and regulants have the right to provide a post office box in lieu of a physical street address if they choose to do so.

BOA Reports

Ms. Feldman led the discussion regarding the agency’s funds and reported expenditures have leveled off.

Ms. Idrissi led the discussion regarding internal controls. A review of the scoping proposal presented by Zelos indicates further research into the estimated number of hours required to complete the task is required. Ms. Feldman will contact Zelos.

Ms. Gilliam led the discussion regarding travel vouchers. Members were advised new travel voucher rates went into effect 1/1/08.

New Business

Chairman Samuel asked the members to complete and sign their conflict of interest forms and complete and sign their travel expense vouchers.

**Conflict of
Interests Forms/
Travel Expense
Vouchers**

There being no further business before the Board, upon a motion by, Mr. Holton and seconded by Mr. Hunt, the meeting was adjourned by unanimous vote. The members voting “**AYE**” were Ms. Calderone and Mr. Samuel.

Adjournment

APPROVED:

Lawrence D. Samuel, CPA, Chairman

COPY TESTE:

Nancy Taylor Feldman, Executive Director/Agency Head